



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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DAVID E. JANSSEN  
Chief Executive Officer

July 17, 2007

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

Dear Supervisors:

**APPROVE SECURITY SERVICE AGREEMENT WITH NORTH AMERICAN  
SECURITY, INC. FOR SAN GABRIEL HEALTH CENTERS  
(ALL DISTRICTS) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Chairman to sign the attached contract with North American Security, Inc. (Contractor), for armed and unarmed security services for Office of Public Safety (OPS) at the San Gabriel Health Centers for a contract term of three (3) years, with two (2) one-year renewal options commencing August 1, 2007, at an annual contract cost of \$624,505.
2. Authorize the Chief, OPS (Chief) to exercise the contract renewal options annually if in the opinion of the Chief the Contractor has successfully performed in the previous contract period and the services are still required and cost-effective, which may include a cost-of-living adjustment (COLA) per option year as determined by the Chief Executive Office (CEO).
3. Authorize the Chief to amend the contract annually in an amount not to exceed 10 percent of the contract amount for additional guards or facilities within the scope of the contract.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

OPS provides security for patients, employees, the public and property of five (5) major hospitals and 38 health and rehabilitation centers throughout the County for the Departments of Health Services and Public Health through OPS' Health Services Bureau (HSB).

The recommended contract is for armed and unarmed security guard services in the San Gabriel Health Centers. The award of this contract is a part of OPS' continuing effort to provide the best possible security service to the public in a cost-effective manner. This recommendation is based upon a cost-analysis finding that an independent contractor can more economically perform armed and unarmed security guard services in the following locations:

San Gabriel Health Centers locations:

- 1) El Monte Comprehensive Health Center
- 2) Telstar Health Center
- 3) La Puente Health Center
- 4) Monrovia Health Center
- 5) Pomona Health Center

**IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The proposed contract with Contractor will further the County's Strategic Plan Goal 1 (Service Excellence), Goal 4 (Fiscal Responsibility), and Goal 8 (Public Safety), through the provision of quality armed and unarmed security guard services at a savings over County costs.

**FISCAL IMPACT/FINANCING**

Sufficient appropriation offset by revenue is budgeted in OPS' fiscal year (FY) 2007-08 budget to fund the costs of the recommended contract and unforeseen/emergent service requirements. The FY 2007-08 budgets for the Departments of Health Services and Public Health include sufficient appropriation to fund the costs associated with the recommended contracts and unforeseen/emergent service requirements.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

In compliance with the provisions of Los Angeles County Code (Code) Sections 2.121.250 through 2.121.420, OPS solicited proposals from private contractors for armed and unarmed security guard services for health services clients for the San Gabriel Health Centers. The mandatory requirements for contracting, as identified in Section 2.121.380 of the Code, have been met. The Proposition A cost analysis indicating that the recommended contracted security guard services can be performed more economically by the private sector have been reviewed and approved by the Auditor-Controller's Audit Division.

The term of the contract is for three (3) years and includes a provision whereby the Chief may extend the contract for up to two (2) one-year renewal option periods. The Chief may exercise options if, in her opinion, Contractor has successfully performed in the previous contract period and the services are still required and are cost-effective. Contractor has agreed to pay its full-time employees the new Living Wage rate adopted by your Board on February 16, 2007, and confirms that it will comply with the County's Living Wage reporting requirements.

In accordance with County policy, the contract contains a COLA provision whereby the Chief, at her sole discretion, may increase Contractor's compensation during the option period. The decision to include the COLA is based on OPS' experience that contractors may incur an increase in costs, such as insurance premium, fuel, etc., during option periods, which could impact their performance. As a result, this provision allows the Chief to review cost information and determine if a COLA is a justified subject for approval by the CEO. OPS will comply with the recently adopted Board policy to exclude the cost of labor from the base upon which a COLA is calculated unless Contractor can show that its labor cost will actually increase.

To manage unforeseen service level increases affecting our client departments, such as changes to office hours, emergent security requirements, and/or the addition of new facilities, OPS is recommending that your Board authorize the Chief to approve additional services, within the scope of work, of up to ten percent per year.

OPS will not request services from Contractor that will exceed the approved maximum contract amount, including the additional services authorization or services that are outside the scope of work or contract dates without the prior approval of your Board.

The California State Department of Industrial Relations, Division of Labor Standards Enforcement, has returned its report indicating no negative information on Contractor.

This contract contains the County's standard provisions regarding contractor obligations and is in compliance with all Board and CEO requirements.

The Contractor has executed the attached contract and will provide the required insurance policy prior to the start of this contract naming the County as additional insured.

County Counsel has approved the contract as to form.

## **CONTRACTING PROCESS**

On September 25, 2006, OPS commenced solicitation for armed and unarmed security guard services within HSB by posting a notice for this Request for Proposals (RFP) on the County's "Doing Business with Us" website and included a link to download the solicitation package and instructions on how to contact the Department regarding this RFP. Attachment I is a listing of contractors who are registered for security guard services on the Internal Services Department's website and received notification of this project. In addition, prospective contractors who contacted OPS prior to and after the RFP release were solicited via phone and email.

On October 2, 2006, 23 companies attended the Proposer's Conference. On November 6, 2006, OPS received 13 proposals. All proposals were reviewed to ensure compliance with mandatory minimum requirements outlined in the RFP. Six (6) proposals met the requirements and were forwarded to Phase 2 evaluation. One (1) proposal was voluntarily withdrawn by the proposer.

The Evaluation Committee (Committee) was comprised of a contract manager from the City of Los Angeles, an administrative staff member from the Department of Public Social Services, and a Los Angeles County Sheriff's Department Contract Field Sergeant (retired). The Committee members reviewed each proposal for business experience and qualifications, staffing, compliance with the Living Wage program, quality control, and the ability to accomplish the required security guard services. Based on the evaluation, it is recommended that the contract for the services be awarded to the most cost-effective and responsible proposer as recommended above. North American Security, Inc. was determined to be the most cost-effective and responsible proposal.

Proposition A contracts valued over \$1.0 million are reviewed by the County Auditor-Controller for cost-effectiveness. Therefore, the Proposition A cost analysis was reviewed and approved by the Auditor-Controller's Audit Division using the guidelines and methodologies consistent with their procedures.

Attachment IV reflects Contractor's minority participation. It should be noted that upon final analysis and award, the contractor was selected without regard to gender, race, creed or color.

The Honorable Board of Supervisors  
July 17, 2007  
Page 5

### **IMPACT ON CURRENT SERVICES**

The award of this contract will not result in the displacement of any County personnel as these services are currently being performed by the private sector. It is anticipated that this contract will commence on August 1, 2007 after Board approval. Therefore, there will be no impact to existing staff or service levels.

### **CONCLUSION**

It is requested that a certified copy of the action taken by your Board and a fully executed copy of the attached contract be mailed to North American Security, Inc., Attention: Mr. Ken Hillman, The Harbor Building, 4201 Wilshire Boulevard, Suite 440, Los Angeles, California 90010-3601. It is also requested that three (3) conformed copies be forwarded to Chief Margaret York, Office of Public Safety.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen", with a long horizontal flourish extending to the right.

DAVID E. JANSSEN  
Chief Executive Officer

DEJ:SRH:RDC  
MAY:MM:yjf

### **Attachments**

c: County Counsel  
Chief Executive Officer  
Affirmative Action Compliance Officer  
Chief, Office of Public Safety

OPS.Agreement3.bl